

**Date:** May 19, 2015

**To:** Thomas J. Bonfield, City Manager

**Through:** W. Bowman Ferguson, Deputy City Manager

**From:** Jina B. Propst, Assistant Director, General Services Department

**Subject:** Amendment 2 to contract with Terracon Consultants, Inc. for additional investigation and testing services for the Police Headquarters Complex Project

**Executive Summary:**

As part of the pre-development process and site analysis for the future Police Headquarters Complex Project, the City contracted with Terracon Consultants, Inc. ("Terracon") for a Phase 1 Environmental site assessment, pre-demolition asbestos and lead paint survey and geotechnical and environmental engineering services for the selected Police Headquarters site. On January 13, 2015, City Council approved a contract amendment for Terracon to perform additional testing to quantify abatement and remediation efforts and plan for the construction phase of work. Terracon's work was completed in March 2015. Property acquisition was finalized in March 2015, and the City has purchased 4.439 acres from GWC Properties, (formerly known as "Carpenter Chevrolet") and .084 acres from WT Wilkerson, (known as "Not Just Wingz"). The City and property sellers entered into an escrow agreement whereby \$491,274.00 of the purchase price was deposited into an escrow fund to address the potential soil remediation and other hazardous material abatement that will be required as part of the construction project. As part of negotiations, the City agreed to submit an application to North Carolina Department of Natural and Environment Resources ("NCDENR") Brownfields Program.

This request is for authorization to issue a contract amendment with Terracon for additional consulting services including assistance with Brownfields Program, preparing a soil management plan, providing oversight of soil excavation, collection of confirmation samples, and preparation of summary reports.

**Recommendation:**

The Department of General Services recommends that City Council:

1. Authorize the City Manager to execute a contract amendment to the engineering services contract with Terracon Consultants, Inc. in an amount not to exceed \$123,442.00, so that the total contract amount will not exceed \$206,133.00;

2. Authorize a project contract contingency for the engineering services contract in the amount of \$11,784.00; and
3. Authorize the City Manager to execute contract amendments to the engineering services contract provided the total contract does not exceed \$217,917.00, the amount budgeted for engineering services including the contingency.

**Background:**

CIP funding in the amount of \$62,434,057.00 has been approved for the Police Headquarters Complex Project. A contract, dated November 13, 2014 was executed by the City and Terracon in the amount of \$42,691.00 for asbestos and lead paint survey report, Phase I Environmental Site Assessment report, geotechnical preliminary findings summary letter and environmental limited site investigation report. A contract amendment, dated January 30, 2015, was executed by the City and an additional amount of \$40,000.00 was added to Terracon contract for additional testing and investigation in order to provide an updated soil management cost estimate and asbestos roof sampling investigation for use during construction.

**Issues/Analysis:**

An additional fifty-four soil borings were conducted in locations determined to have the highest potential for contamination. Terracon observed the highest concentrations of environmental contamination in the vicinity of former hydraulic lifts, former underground storage tanks, and near unidentified automotive ports that were discovered on site during testing. Terracon provided a Most Likely Value ("MLV") of \$251,516.00 for environmental remediation and associated consulting services. The Environmental Protection Agency ("EPA") rule of thumb estimates that costs developed at the Remedial Investigation/Feasibility Study phase can be expected to vary by negative 50% to positive 100%. This range was used to determine the escrow fund of \$491,274.00. Prior to City purchasing land, Terracon submitted studies to NCDENR documenting the previous property owner is responsible party for historical releases that may be discovered and reported during site development activities. NCDENR may determine further investigation may be warranted to quantify the extent of impacts at the site. Terracon also performed additional testing of the roofing materials and provided an opinion of probable cost of asbestos remediation that indicated the quantity of asbestos remediation would be \$89,825.00. This additional services request is for authorization to issue a contract amendment with Terracon for additional consulting services arising out of its prior investigatory work, including assistance with Brownfields Program, preparing a soil management plan for design and construction, providing oversight of soil excavation during construction, collection of confirmation samples, and preparation of summary reports necessary for the Police Complex Headquarters project.

**Alternatives:**

An alternative is to not proceed with the proposed amendment for additional services. This alternative is not recommended as additional consulting services will be required as part of the project environmental remediation and requirements administered by NCDENR.

**Financial Impacts:**

<b>Project Funding</b>		\$62,434,057.00
<b>Funding Uses Summary:</b>		
Terracon professional services contract and Amendment 1		\$82,691.00
Terracon Amendment 2	3501B900 731003 CK002	\$123,442.00
subtotal		\$206,133.00
Terracon Contingency	3501B900 739000 CK002	\$11,784.00
subtotal		\$11,784.00
Total		\$217,917.00

**SDBE Summary:**

This is a contract amendment. The Department of Equal Opportunity/Equity Assurance did not conduct a compliance review in accordance with the Ordinance to Promote Equal Business Opportunities in City Contracting.